

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:2111

ANSWERED ON:16.03.2005

INCENTIVES TO HARDWARE SECTOR

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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

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- (a) whether the Zero duty imports on information technology hardware has affected the growth of this sector;
- (b) if so, whether the Government has received any requests from the domestic hardware computer manufactures for some relief;
- (c) if so, the details of their requests;
- (d) whether the Government plans to provide some additional incentives for improvement of the hardware sector;
- (e) if so, the details thereof; and
- (f) the steps being taken/proposed to be taken to make this industry more competitive and vibrant?

Answer

MINISTER OF STATE FOR COMMUNICATIONS AND INFORMATION TECHNOLOGY(DR. SHAKEEL AHMAD)

- (a): Zero% customs duty on Information Technology Agreement (ITA-1) products (217 items) has been implemented from 1.3.2005. It is too early to see the impact on growth of IT hardware sector.
- (b) and (c): A number of domestic IT product manufacturers have shown satisfaction with the zero duty regime on IT products.
- (d),(e) and (f): The Department of Information Technology receives suggestions from the domestic industry for improvement of the hardware sector and it is an ongoing process. In view of the requests from time to time, a number of incentives have been provided to promote the IT hardware sector. The details of the incentives provided are given in the Annexure.